Inflation and Domestic Prices

4457. SHRI SUNDER SINGH BHANDARI: Will the Minister of FINANCE be pleased to state:

(a) what is the rate of inflation during the last three weeks and the main reasons for the same; and

(b) what steps have been taken to keep domestic prices under check?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) Particulars of the rate of inflation during the last three weeks are as below :—

Week end	Rate of Inflation (%)
26-3-94	10.2
2-4-94	10.5
9-4-94	10.5

Rise in the rate of inflation is largely attributed to the increase in the prices of primary articles, especially cotton, jute, sugarcane, oilseeds, foodgrains and electricity.

(b) For moderating the price rise, the Government's intervention has been primarily in augmenting supplies of essential commodities. Increasing allocation through PDS, open market sales of wheat by FCI, import of essential commodities such as sugar and edible oils and higher monthly releases of non-levy sugar are some of the steps taken to stabilise the prices.

Implementation of Rekhi Committee Report on Indirect Taxes

4458. SHRI S. AUSTIN: Will the Minister of FINANCE be pleased to refer to Unstarred Question 482 given in the Rajya Sabha on the 7th December, 1993 and state:

(a) whether Government have taken any initiatives to implement the recommendations made by the Rekhi Committee;

(b) if so, the details thereof;

(c) whether the Committee has also suggested amendments in the Central Excises and Salt Act, 1944;

(d) if so, the details thereof; and

(e) the action taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) to (e) The Rekhi Committee, in their final report (Vol. I & II), have made in all 142 recommendations relating to simplification and streamlining of customs and central excise laws and procedures. The main recommendations relate to tariff structure (not the rate of duty), valuation, classification, assessment and clearance, MODVAT, appellate machinery, Settlement Commission etc. Some of these recommendations are in nature of observations and views expressed by the Committee.

Government has already initiated implemental action on many of the recommendations of the Committee. Further, the Government's response to several recommendations is also reflected in the Budget Proposals for 1994-95 such as number of exemption notifications reduced to the minimum possible level; description of product in the exemption notification made as the one used in the tariff itself; end-use based notifications kept to the barest minimum; system of valuation on the basis of the invoice price; rationalisation of the exemption for small scale units and extending the benefits to both registered and unregistered units; extention of MODVAT facility to capital goods.

Action has also been initiated for legislative changes in the Customs Act, 1962 and the Central Excises and Salt Act, 1944 as also changes in the procedures. These include the proposals for setting up of the Settlement Commission for Customs and Central Excise, High Powered Tribunal under Article 323B of the Constitution, charging of interest on delayed payments of duties and payment of interest on delayed refunds, change of designation of the officers, issue of cheques for payment of drawback on weekly basis instead of fortnightly,